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NEW DELHI Hersh

Former Indian Prime Minister Moraji Desai said today he had sued investgative reporter Seymour Hersh for libel in U.S. District Court in Chicago for alleging Desai had been in the pay of the CIA.

Desai, 87, told Reuters the suit, which seeks \$5 million in damages, was filed on his behalf by a lawyer Friday.

The allegation against Desai, prime minister from 1977 to 1979, was made by Hersh in his book "The Price of Power: Kissinger in the Nixon White House."

Hersh alleged Desai had given the Nixon administration secret information during the 1971 Indo-Pakistani war and had been a CIA (Central Intelligence Agency) agent during the Johnson administration, receiving \$20,000 a year.

Hersh, contacted at his Washington home, told Reuters he had not yet seen the suit and would have no comment until he and his lawyers had examined it.

However, he told Reuters in an interview last week that he stood by the allegations in his book concerning Desai.

"It was not his uncle, brother or cousin but it was Moraji Desai," Hersh said of the allegation that Desai had worked for the ClA.

Hersh said in the interview that Desai's links to the CIA went back well before the Johnson administration and that the sources for his information were a former high White House official and a former high CIA official.

He also said he believed Desai's motives were "pure," that he was a fanatical anti-Communist who wanted to help the United States against the Soviet Union.

Hersh also told Reuters he had more information about Desai than he had used in his book.

Earlier this week Desai called Hersh's allegations a "mad, absurd lie" and said he would sue for libel if the book were published in India.

The politician declined to say today what had prompted him to have the suit filed in Chicago.

The allegations against Desai have received wide publicity in Indian newspapers, most of which have dismissed them as untrue.